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**DISTRICT ATTORNEY OF THE THIRTY-FIRST
JUDICIAL DISTRICT**

Jennings, Louisiana

**General Purpose Financial Statements
And Independent Auditor's Report
As of and for the Year Ended December 31, 1998**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 8-11-99

**DISTRICT ATTORNEY OF THE THIRTY-FIRST
JUDICIAL DISTRICT**
Jennings, Louisiana

General Purpose Financial Statements
And Independent Auditor's Report
As of and for the Year Ended December 31, 1998

With Supplemental Information Schedules

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Mike B. Gillespie, CPA

(A Professional Accounting Corporation)

112 W. Plaquemine St., Suite B

PO Box 1347

Jennings, LA 70546

INDEPENDENT AUDITOR'S REPORT

Honorable Michael C. Cassidy
District Attorney
Thirty-First Judicial District
Jennings, Louisiana

I have audited the accompanying general purpose financial statements of the District Attorney of the Thirty-First Judicial District, a component unit of the Jefferson Davis Parish Police Jury, as of December 31, 1998, and for the year then ended. These general purpose financial statements are the responsibility of the District Attorney of the Thirty-First Judicial District's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the District Attorney of the Thirty-First Judicial District, as of December 31, 1998, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

My audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining financial statements listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the District Attorney of the Thirty-First Judicial District. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

In accordance with *Government Auditing Standards*, I have also issued my report dated June 18, 1999, on my consideration of District Attorney of the Thirty-First Judicial District's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants.


Certified Public Accountant

Jennings, Louisiana
June 18, 1999

DISTRICT ATTORNEY OF THE THIRTY-FIRST JUDICIAL DISTRICT

Jennings, Louisiana

**COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS**

As of December 31, 1998

	Governmental Funds		Fiduciary	Account	
	General	Special	Fund-	Group	Total
	Fund	Revenue	Agency	General	(Memorandum
		Funds	Funds	Fixed	Only)
				Assets	
ASSETS AND OTHER DEBITS					
Assets:					
Cash and cash equivalents	\$ 253,352	\$ 235,895	\$ 103,812	\$ 0	\$ 593,059
Investments	0	0	0	0	0
Receivables:					
Due from other governments	36,802	15,503	0	0	52,305
Due from other funds	400	0	68	0	468
Other	189	0	0	0	189
Property and equipment	0	0	0	224,381	224,381
TOTAL ASSETS AND OTHER DEBITS	\$ 290,743	\$ 251,398	\$ 103,880	\$ 224,381	\$ 870,402
LIABILITIES, EQUITY, AND OTHER CREDITS					
Liabilities:					
Accounts payable	\$ 2,305	\$ 3,319	\$ 0	\$ 0	\$ 5,624
Payroll deductions and withholdings payable	7,309	945	0	0	8,254
Due to other governments	12,240	0	0	0	12,240
Due to other funds	68	0	400	0	468
Due to others	0	0	103,480	0	103,480
Total Liabilities	21,922	4,264	103,880	0	130,066
Equity and Other Credits:					
Investment in general fixed assets	0	0	0	224,381	224,381
Fund balances - unreserved - undesignated	268,821	247,134	0	0	515,955
Total Fund Equity and Other Credits	268,821	247,134	0	224,381	740,336
TOTAL LIABILITIES, EQUITY, AND OTHER CREDITS	\$ 290,743	\$ 251,398	\$ 103,880	\$ 224,381	\$ 870,402

See accompanying notes to financial statements.

DISTRICT ATTORNEY OF THE THIRTY-FIRST JUDICIAL DISTRICT
Jennings, Louisiana

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-ALL GOVERNMENTAL FUND TYPES**
Year Ended December 31, 1998

	<u>General Fund</u>	<u>Special Revenue</u>	<u>Total (Memorandum Only)</u>
REVENUES			
Commissions on fines and forfeitures and fees for collection of worthless checks	\$ 256,419	\$ 52,531	\$ 308,950
Intergovernmental revenues:			
Federal	25,000	80,130	105,130
State	169,272	9,658	178,930
Parish	331,850	0	331,850
Charges for services	3,000	925	3,925
Use of money and property	8,053	11,990	20,043
Other revenues	2,316	0	2,316
Total revenues	<u>795,910</u>	<u>155,234</u>	<u>951,144</u>
EXPENDITURES			
Current:			
Salaries and related benefits	503,933	49,594	553,527
Advertising, dues and subscriptions	8,415	21,770	30,185
Communications	545	1,085	1,630
Repairs and maintenance	275	0	275
Professional services	5,592	12,207	17,799
Insurance	0	6,359	6,359
Office supplies	2,176	2,787	4,963
Operating supplies	3,500	0	3,500
Travel and seminars	59,116	507	59,623
Other expenditures	24,675	19,283	43,958
Intergovernmental expenditures:			
Distributions to other governments - LACE	106,313	0	106,313
Distributions to Police Jury	18,156	24,567	42,723
Grants to other governments	0	5,150	5,150
Capital outlay	47,483	10,326	57,809
Total expenditures	<u>780,179</u>	<u>153,635</u>	<u>933,814</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>15,731</u>	<u>1,599</u>	<u>17,330</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers in	47,684	0	47,684
Operating transfers out	0	(47,684)	(47,684)
Total other financing sources (uses)	<u>47,684</u>	<u>(47,684)</u>	<u>0</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	63,415	(46,085)	17,330
FUND BALANCES AT BEGINNING OF YEAR	<u>205,406</u>	<u>293,219</u>	<u>498,625</u>
FUND BALANCES AT END OF YEAR	<u>\$ 268,821</u>	<u>\$ 247,134</u>	<u>\$ 515,955</u>

See accompanying notes to financial statements.

DISTRICT ATTORNEY OF THE THIRTY-FIRST JUDICIAL DISTRICT
Jennings, Louisiana

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET AND ACTUAL- GENERAL AND SPECIAL REVENUE FUND TYPES**
Year Ended December 31, 1998

	General Fund			Special Revenue Funds		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Commissions on fines and forfeitures and fees for collection of worthless checks	\$ 130,000	\$ 256,419	\$ 126,419	\$ 145,000	\$ 52,531	\$ (92,469)
Intergovernmental revenues:						
Federal		25,000	25,000	58,000	80,130	22,130
State		169,272	169,272	23,000	9,658	(13,342)
Parish	130,000	331,850	201,850	0	0	0
Charges for services	5,000	3,000	(2,000)	1,200	925	(275)
Use of money and property	5,000	8,053	3,053	2,500	11,990	9,490
Other revenues	1,000	2,316	1,316	0	0	0
Total revenues	<u>271,000</u>	<u>795,910</u>	<u>524,910</u>	<u>229,700</u>	<u>155,234</u>	<u>(74,466)</u>
EXPENDITURES						
Current:						
Salaries and related benefits	153,000	503,933	(350,933)	89,000	49,594	39,406
Advertising, dues and subscriptions	5,600	8,415	(2,815)	26,050	21,770	4,280
Communications	400	545	(145)	700	1,085	(385)
Repairs and maintenance	2,500	275	2,225	0	0	0
Professional services	13,000	5,592	7,408	6,800	12,207	(5,407)
Insurance	0	0	0	5,099	6,359	(1,260)
Office supplies	0	2,176	(2,176)	813	2,787	(1,974)
Operating supplies	9,500	3,500	6,000	4,000	0	4,000
Travel and seminars	20,000	59,116	(39,116)	1,300	507	793
Other expenditures	2,100	24,675	(22,575)	43,300	19,283	24,017
Intergovernmental expenditures:						
Distributions to other govts. - LACE	25,400	106,313	(80,913)	0	0	0
Distributions to other governments	68,200	18,156	50,044	0	24,567	(24,567)
Grants to other governments	12,000	0	12,000	21,000	5,150	15,850
Capital outlay	19,000	47,483	(28,483)	6,900	10,326	(3,426)
Total expenditures	<u>330,700</u>	<u>780,179</u>	<u>(449,479)</u>	<u>204,962</u>	<u>153,635</u>	<u>51,327</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(59,700)</u>	<u>15,731</u>	<u>75,431</u>	<u>24,738</u>	<u>1,599</u>	<u>(23,139)</u>
OTHER FINANCING SOURCES (USES)						
Operating transfers in	0	47,684	47,684	0	0	0
Operating transfers out	0	0	0	0	(47,684)	(47,684)
Total other financing sources (uses)	<u>0</u>	<u>47,684</u>	<u>47,684</u>	<u>0</u>	<u>(47,684)</u>	<u>(47,684)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>(59,700)</u>	<u>63,415</u>	<u>123,115</u>	<u>24,738</u>	<u>(46,085)</u>	<u>(70,823)</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>180,000</u>	<u>205,406</u>	<u>25,406</u>	<u>247,500</u>	<u>293,219</u>	<u>45,719</u>
FUND BALANCES AT END OF YEAR	<u>\$ 120,300</u>	<u>\$ 268,821</u>	<u>\$ 148,521</u>	<u>\$ 272,238</u>	<u>\$ 247,134</u>	<u>\$ (25,104)</u>

See accompanying notes to financial statements.

**DISTRICT ATTORNEY OF THE THIRTY-FIRST
JUDICIAL DISTRICT**
Jennings, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 1998

INTRODUCTION

Under constitutional provisions and LSA-RS 15.571, the office of the District Attorney is established within each judicial district. The district attorney serves a term of six years and takes office on the first day of January following the election.

As provided by LSA-RS 16:1, the district attorney represents the state in all civil actions, is in charge of every criminal prosecution by the state in his district, is the representative of the state before the grand juries in his district, and is the legal advisor to the grand juries. In addition, the district attorney can ex officio be the regular attorney and counsel for the police jury, the parish school board within the district, and all state boards or commissions domiciled therein the members of which, in whole or in part, are elected by the people or appointed by the governor or other prescribed authority.

The jurisdiction of the District Attorney of the Thirty-First Judicial District is comprised of Jefferson Davis Parish and the office is located in the parish courthouse in the city of Jennings. The staff of the district attorney is made up of fourteen employees including the district attorney, three assistant district attorneys, two investigators, a victim's coordinator and seven clerical personnel.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying financial statements of the District Attorney of the Thirty-First Judicial District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. REPORTING ENTITY

The district attorney is an independent elected official; however, the district attorney is fiscally dependent on the Jefferson Davis Parish Police Jury. The police jury maintains and operates the parish courthouse in which the district attorney's office is located and provides funds for equipment and furniture of the district attorney's office. In addition, the police jury's general purpose financial statements would be incomplete or misleading without inclusion of the district attorney. For these reasons, the district attorney was determined to be a component unit of the Jefferson Davis Parish Police Jury, the financial reporting entity.

The accompanying financial statements present information only on the funds maintained by the district attorney and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that compromise the financial reporting entity.

C. FUND ACCOUNTING

**DISTRICT ATTORNEY OF THE THIRTY-FIRST
JUDICIAL DISTRICT**
Jennings, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 1998

The district attorney uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable financial resources.

Funds of the district attorney are classified as governmental funds. Governmental funds account for the district attorney's general activities, including the collection and disbursement of specific or legally restricted monies, and the acquisition of general fixed assets. Governmental funds of the district attorney include:

GENERAL FUND

The General Fund was established in compliance with Louisiana Revised Statute 15:571.11, which provides that 12 per cent of the fines collected and bonds forfeited be transmitted to the district attorney to defray the necessary expenditures of his office.

TITLE IV-D SPECIAL REVENUE FUND

The Title IV-D Special Revenue Fund consists of incentive payments and reimbursement grants from the Louisiana Department of Social Services, authorized by Act 117 of 1975, to establish family and child support programs compatible with Title IV-D of the social security act. The purpose of the fund is to enforce the support obligation owed by absent parents to their families and children, to locate absent parents, to establish paternity, and to obtain family and child support.

**WORTHLESS CHECK COLLECTION
FEE SPECIAL REVENUE FUND**

The Worthless Check Collection Fee Special Revenue Fund consists of fees collected in accordance with Louisiana Revised Statute 16:15, which provides for a specific fee whenever the district attorney's office collects and processes a worthless check. Expenditures from this fund are at the sole discretion of the district attorney and may be used to defray the salaries and the expenses of the office of the district attorney, but may not be used to supplement the salary of the district attorney.

DRUG FORFEITURE SPECIAL REVENUE FUND

The Drug Forfeiture Special Revenue Fund consists of 20% of the fines collected and bonds forfeited under the Seizure and Controlled Dangerous Substances Property

**DISTRICT ATTORNEY OF THE THIRTY-FIRST
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Notes to the Financial Statements
As of and for the Year Ended December 31, 1998

Forfeiture Act of 1989 as prescribed under LRS 40:2616. At the discretion of the district attorney these funds are put in this special revenue fund instead of the general fund as allowed by law. As provided by LRS 40:2616, these funds can be used for public purposes including, but not limited to use for prosecution, rewards, support and continuing legal education in furtherance of Chapter 26 Title 40.

DRUG ASSET SEIZURE AGENCY FUND

The Drug Asset Seizure Agency Fund was established in compliance with Louisiana Revised Statute 40:2616, which provides that the proceeds of any sale and any monies forfeited or obtained by judgement or settlement under the Seizure and Controlled Dangerous Substances Property Forfeiture Act of 1989 shall be deposited into a special trust fund until the court determines equitable distribution of these funds. This agency fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations. The law provides that the district attorney shall administer expenditures from this fund in the following priority:

- For satisfaction of any bona fide security interest or lien.
- Thereafter, for payment of all proper expenses of the proceedings for forfeiture and sale, including expenses of seizure, maintenance of custody, advertising, and court costs.
- The remaining funds are to be allocated 60% to the law enforcement agency or agencies making the seizure, 20% to the criminal court fund, and 20% to any district attorney's office that handles the forfeiture action for the state.

PRE-TRIAL INTERVENTION SPECIAL REVENUE FUND

The Pre-Trial Intervention Special Revenue Fund was established by the District Attorney to isolate the program revenues and expenditures. The program is a diversion program which is offered to selected non-violent offenders as an alternative to prosecution. Participants receive coordinated assistance in job placement, educational and vocational referrals, personal and group counseling, and referrals to other community agencies appropriate to their needs. The revenues for this fund are derived from charges for services to participants and operating transfers from other funds of the District Attorney.

ESCROW AGENCY FUND

The Escrow Agency Fund was created to account for collections by the district attorney's office which are to be distributed to other agencies and victims of crimes. This fund is custodial in nature and does not involve measurement of results of operations.

**DISTRICT ATTORNEY OF THE THIRTY-FIRST
JUDICIAL DISTRICT**
Jennings, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 1998

WORTHLESS CHECKS ESCROW AGENCY FUND

This fund was established to account for collections of worthless check restitution and fees to be distributed to victims and other government agencies. This fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations.

D. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The governmental funds are accounted for using current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by the governmental funds. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Intergovernmental revenues and fees, charges for services, and commissions on fines and forfeitures are recorded when the district attorney is entitled to the funds or earlier if susceptible to accrual criteria are met.

Interest earnings on time deposits are recorded when the time deposits have matured and the interest is available to the district attorney.

Substantially all other revenues are recorded when received.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Other Financing Sources

Transfers between funds that are not expected to be repaid are accounted for as other financing sources and uses in the accounting period in which the transfers occur. Proceeds from the sale of fixed assets and insurance proceeds received on damaged fixed assets are also accounted for as other financing sources and are recognized when received.

E. BUDGET PRACTICES

Pursuant to the Louisiana Local Government Budget Act (LSA-RS 39: 1301-1314) the District Attorney is required to prepare an annual budget, have a public hearing, and make the budget

**DISTRICT ATTORNEY OF THE THIRTY-FIRST
JUDICIAL DISTRICT**
Jennings, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 1998

available for public inspection no later than fifteen days prior to the beginning of each year. A summary of the budget is required to be published at least ten days prior to the date of the first public hearing.

The budget was prepared prior to December, 1997. The public hearing was not held as required by state law during December 1997, but the budget was adopted.

F. ENCUMBRANCES

The district attorney does not use encumbrance accounting.

G. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposit, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the district attorney may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

H. FIXED ASSETS

Fixed assets are recorded as expenditures at the time purchased, and the related assets are capitalized (reported) in the general fixed assets account group. General fixed assets provided by the parish police jury are not recorded within the general fixed assets account group. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost or estimated cost if historical cost is not available. Approximately 4 per cent of fixed assets costs have been estimated.

I. COMPENSATED ABSENCES

The district attorney has the following policy relating to vacation and sick leave:

Vacations

Clerical personnel are granted ten working days per year for the first through fifth year of service, fifteen working days per year for the sixth through twelfth year; and twenty working days per year for service beyond twelve years. Primarily all of the clerical personnel's salaries are paid by the police jury's criminal court fund. This part of the vacation liability applies to the police jury and not the district attorney's office. However, vacation time must be taken before the end of the year or it is forfeited. The district attorney does not allow vacation time to accumulate or vest beyond year end.

**DISTRICT ATTORNEY OF THE THIRTY-FIRST
JUDICIAL DISTRICT**
Jennings, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 1998

All district attorneys and the administrative and investigative assistants are authorized ten working days per year for the first year of service, then fifteen working days per year for the second through tenth year of service; and twenty-five days per year after ten years of service.

Vacation time must be used before the end of the year or it is forfeited. The district attorney does not allow vacation time to accumulate or vest beyond year end.

Sick Leave

Each employee shall accrue sick leave at the rate of one day per month, the first five years, then one and a half days per month for all years thereafter. Accumulated sick leave cannot exceed 180 days. Employees cannot be paid for accrued sick leave when they resign, retire or are terminated.

The cost of current leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current year expenditure in the governmental funds when the leave is actually taken. As of December 31, 1998, the district attorney did not have a liability for accrued vacation leave since this benefit does not vest past year end. Therefore the financial statements do not contain a liability for unpaid vacation pay. The district attorney does not accrue a liability for nonvesting accumulating rights to receive sick pay benefits as allowed by GASB C60.611.

J. TOTAL COLUMNS ON STATEMENTS

The total columns on the statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

2. CASH AND CASH EQUIVALENTS

At December 31, 1998, the district attorney has cash and cash equivalents (book balances) totaling \$593,059 as follows:

Demand deposits	\$ 144,676
Interest-bearing demand deposits	100,100
Time deposits	<u>348,283</u>
 Total Book Balances	 \$ <u><u>593,059</u></u>

**DISTRICT ATTORNEY OF THE THIRTY-FIRST
JUDICIAL DISTRICT**
Jennings, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 1998

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At December 31, 1998, the district attorney has \$ 597,744 in deposits (collected bank balances). These deposits are secured from risk by \$ 416,581 of federal deposit insurance and \$181,163 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the district attorney that the fiscal agent has failed to pay deposited funds upon demand.

The investments were acquired under a repurchase agreement with Jeff Davis Bank & Trust Co. The investments are in the name of Jeff Davis Bank & Trust Co. and are held at Whitney National Bank of New Orleans, as custodian. Because the securities are not in the name of the district attorney and are not held by the district attorney or its agent, the securities are considered uninsured and unregistered, Category 3 in applying the credit risk of GASB Codification Section 150.164.

3. RECEIVABLES

Accounts receivable at December 31, 1998, are as follows:

<u>Class of Receivable</u>	<u>General Fund</u>	<u>Special Revenue Funds</u>
Due from other governments		
Fines and forfeitures	\$ 21,371	\$ -0-
LACE program reimbursement	15,431	-0-
Title IV-D administrative payments	-0-	15,503
Total	\$ 36,802	\$ 15,503

4. CHANGES IN GENERAL FIXED ASSETS

**DISTRICT ATTORNEY OF THE THIRTY-FIRST
JUDICIAL DISTRICT**
Jennings, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 1998

A summary of changes in general fixed assets follows:

	Balance January 1, 1998	Additions	Deductions	Adjustments	Balance December 31, 1998
Automobiles	\$ 24,259	\$ 17,321	\$ -0-	\$ -0-	\$ 41,580
Improvements other than buildings	36,080	18,982	-0-	-0-	55,062
Equipment and furniture	128,232	21,507	22,000	-0-	127,739
Total	<u>\$ 188,571</u>	<u>\$ 57,810</u>	<u>\$ 22,000</u>	<u>\$ -0-</u>	<u>\$ 224,381</u>

5. PENSION PLANS

A. Louisiana District Attorney's Retirement System

Plan Description. The district attorney and assistant district attorneys are members of the Louisiana District Attorneys Retirement System (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees.

Assistant district attorneys who earn, as a minimum, the amount paid by the state for assistant district attorneys and are under the age of 60 at the time of original employment and all district attorneys are required to participate in the System. For members who joined the System before July 1, 1990, and who elected not to be covered by the new provisions, the following applies: Any member with 23 or more years of creditable service regardless of age may retire with a 3 per cent benefit reduction for each year below age 55, provided that no reduction is applied if the member has 30 or more years of service. Any member with at least 18 years of service may retire at age 55 with a 3 per cent benefit reduction for each year retiring below the age of 60. In addition, any member with at least 10 years of service may retire at age 60 with a 3 per cent benefit reduction for each year retiring below the age of 62. The retirement benefit is equal to 3 per cent of the member's average final compensation multiplied by the number of years of his membership service, not to exceed 100 per cent of his average final compensation.

For members who joined the System after July 1, 1990, or who elected to be covered by the new provisions the following applies: Members are eligible to receive normal retirement benefits if they are age 60 and have 10 years of service credit, are age 55 and have 24 years of service credit, or have 30 years of service credit regardless of age. The normal retirement benefit is equal to 3.5 per cent of the member's final-average compensation multiplied by years of membership service. A member is eligible for early retirement if he is age 55 and has 18 years of service credit. The early retirement benefit is equal to the normal retirement benefit reduced 3 per cent for each year the member retires in advance of normal retirement age. Benefits may not exceed 100 per cent of average final

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compensation. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana District Attorneys Retirement System, 2109 Decatur Street, New Orleans, Louisiana 70116-2091, or by calling (504) 947-5551.

Funding Policy. Plan members are required by state statute to contribute 7.0 per cent of their annual covered salary and the district attorney is required to contribute at an actuarially determined rate. The current rate is 1.25 per cent of annual covered payroll. Contributions to the System also include .2 per cent of the ad valorem taxes collected throughout the state and revenue sharing funds as appropriated by the legislature. The contribution requirements of plan members and the district attorney are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the result of the valuation for the prior fiscal year. The district attorney's contributions to the System for the years ending December 31, 1998, 1997, and 1996 were \$ 992, \$ 2,885, and \$ 4,381, respectively, equal to the required contributions for each year.

B. Parochial Employees' Retirement System of Louisiana (PERS)

Plan Description. Substantially all employees, exclusive of the district attorney and the assistant district attorneys of the district attorney's office are members of the Parochial Employees' Retirement System of Louisiana (System), a cost-sharing multiple-employer defined benefit pension plan administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All participating employees of the district attorney are members of Plan A.

All permanent employees working at least 28 hours per week who are paid wholly or in part from parish funds and all elected parish officials are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 per cent of their final-average salary for each year of creditable service. However, for those employees who were members of the supplemental plan only prior to January 1, 1980, the benefit is equal to one per cent of their final average salary plus \$24 for each year of supplemental-plan-only service earned prior to January 1, 1980. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above and do not withdraw their employee contributions may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by state statute.

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The system issues an annual publicly available report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial

Employees' Retirement System of Louisiana, Post Office Box 14619, Baton Rouge, Louisiana, 70898-4619, or by calling (504) 928-1361.

Funding Policy. Under Plan A, members are required by state statute to contribute 9.50% of their annual covered salary and the District Attorney of the Thirty-First Judicial District is required to contribute at a statutory rate based on actuarially determined computations. The current rate is 7.75% of covered payroll. Contributions to the System also include one-fourth of one per cent of the taxes shown to be collectible (except for Orleans and East Baton Rouge parishes) by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the District Attorney of the Thirty-First Judicial District are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the result of the valuation for the prior fiscal year. The District Attorney of the Thirty-First Judicial District's contribution to the System under Plan A for the year ending December 31, 1998, 1997 and 1996 was \$ 675, \$ 3,451 \$ 2,823, respectively, equal to the required contribution for each year.

6. INTERFUND OPERATING TRANSFERS

Individual fund operating transfers for 1998, were as follows:

Fund	<u>Transfers In</u>	<u>Transfers Out</u>
General fund		
From title IV-D fund	<u>47,684</u>	<u>-0-</u>
Total general fund	\$ <u>47,684</u>	\$ <u>-0-</u>
Special revenue funds		
Title IV-D fund to general fund	<u>-0-</u>	<u>47,684</u>
Total special revenue funds	\$ <u>-0-</u>	\$ <u>47,684</u>
Total all funds	\$ <u>47,684</u>	\$ <u>47,684</u>

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7. CHANGES IN AGENCY FUND LIABILITIES

A summary of changes in agency fund liabilities due to others follows:

	Escrow Fund	Drug Assets Seizure Fund	Worthless Checks Escrow Fund	Total
Balance at January 1, 1998	\$ 20,700	\$ 131,203	\$ 1,045	\$ 152,948
<i>Additions:</i>				
Bond fees collected	\$ 49,744	\$ 0	\$ 0	\$ 49,744
Bond forfeitures collected	2,000	0	0	2,000
Restitution collected	63,944	0	107,271	171,215
Funds seized and auction proceeds	0	136,913	0	136,913
Interest earned	0	5,707	0	5,707
Grants collected	25,000	0	0	25,000
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
 Total Additions	 <u>\$ 140,688</u>	 <u>\$ 142,620</u>	 <u>\$ 107,271</u>	 <u>\$ 390,579</u>
<i>Deductions:</i>				
Distributed to victims	\$ 82,127	\$ 0	\$ 80,946	\$ 163,073
Distributed to defendants	0	2,714	0	2,714
Distributed to sheriff	12,936	57,057	2,899	72,892
Distributed to district attorney	15,436	29,149	23,382	67,967
Distributed to criminal court fund	15,436	26,199	0	41,635
Distributed to municipal police	0	7,500	0	7,500
Distributed to indigent defender board	12,936	0	0	12,936
Distributed to state police	0	40,192	0	40,192
Distributions to other governments	0	435	0	435
Distributions to family & youth counseling	20,000	0	0	20,000
Proceedings and forfeiture expenses	0	10,477	226	10,703
Total Deductions	<u>158,871</u>	<u>173,723</u>	<u>107,453</u>	<u>440,047</u>
 Balance at December 31, 1998	 <u>\$ 2,517</u>	 <u>\$ 100,100</u>	 <u>\$ 863</u>	 <u>\$ 103,480</u>

8. LITIGATION AND CLAIMS

**DISTRICT ATTORNEY OF THE THIRTY-FIRST
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As of December 31, 1998, the district attorney is not involved in any litigation and is not aware of any claims not covered by insurance.

9. FEDERAL FINANCIAL ASSISTANCE PROGRAM

The district attorney participates in the United States Department of Health and Human Services Support Enforcement, Title IV-D Program, Catalog of Federal Domestic Assistance No. 93.563 This program is funded by indirect assistance payments, in the form of both incentive payments and reimbursements of a portion of certain expenditures, received from the Louisiana Department of Social Services. For the year ended December 31, 1998, the District Attorney for the Thirty-First Judicial District expended \$ 51,710 and \$ 9,658 in reimbursement and incentive payments, respectively.

The reimbursement payments are restricted by a formal agreement between the district attorney and Department of Social Services and includes a budget of expected expenditures for each fiscal year ending June 30. This district attorney submits reimbursement requests to the Department of Social Services on a monthly basis.

There are no restrictions on how incentive payments may be expended, except as may be required by state law for any other funds of the district attorney. However, these payments, as well as the reimbursement payments, may be subjected to further review and audit by the federal grantor agency. No provision has been made in the financial statements for the reimbursement of any expenditures that may be disallowed as a result of such a review or audit.

10. COMMITMENTS

On December 18, 1997, the district attorney entered into a joint services agreement with the Jefferson Davis Parish Police Jury in order to provide the district attorney with additional office space. The agreement provides that the Police Jury will relocate the county agent's office and remodel the existing office as an addition to the district attorney's office. In return, the district attorney agrees to pay the sum of \$100,000 to the police jury in order to defray the relocation and remodeling costs.

The \$100,000 is to be paid in two equal installments. The initial installment was paid on December 18, 1997. The remaining \$50,000 is to be paid on the date a construction contract for a new county agent's office is executed.

As of December 31, 1998, the district attorney has an outstanding commitment to pay the Police Jury \$50,000 for office relocation and remodeling costs.

11. EXPENDITURES OVER BUDGET APPROPRIATIONS

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The following individual funds had an unfavorable budget variance in excess of five per cent for the year ended December 31, 1998:

Fund	Budget Category	Budgeted Amount	Actual Amount	Unfavorable Variance
Worthless Check	Revenues	\$ 25,500	\$ 23,382	\$ 2,118
Drug Forfeiture	Revenues	139,000	65,593	73,407
General	Expenditures	330,700	780,179	449,479
Worthless Check	Expenditures	14,452	31,483	17,031
Title IV-D	Expenditures	59,450	63,892	4,442

All of the above unfavorable variances were funded by either current year excess of revenues over budgeted amounts or prior year fund balances.

12. ON-BEHALF PAYMENTS FOR FRINGE BENEFITS AND SALARIES

The Jefferson Davis Parish Police Jury's General Fund and Criminal Court Fund, and the State of Louisiana pay a portion of the salaries and benefits of the District Attorney's office. These on-behalf payments have been recorded in the accompanying financial statements, in accordance with Governmental Accounting Standards Board Statement 24 as intergovernmental revenues and expenditures as follows:

Intergovernmental Revenues:	
State	\$ 142,472
Parish	221,537
Total	<u>\$ 364,009</u>
Expenditures:	
Salaries and related benefits	<u>\$ 364,009</u>

The above amounts include \$956 paid to the District Attorneys Retirement System and \$14,984 paid to the Parochial Employees' Retirement System of Louisiana for pension contributions for the District Attorney's employees.

13. RELATED PARTY TRANSACTIONS

The District Attorney's office has reimbursed the Police Jury for the following expenses:

**DISTRICT ATTORNEY OF THE THIRTY-FIRST
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General Fund – reimburse portion of salary and benefits	\$ 15,656
General Fund – Families in Need of Services Grant pass-through grant monies	\$ 2,500
Title IV-D Fund – reimburse portion of program salaries	\$ 24,567

Certain operating expenditures of the district attorney's office are paid by the Parish Police Jury, as required by Louisiana law, and are not included in the accompanying financial statements. These expenditures include among other things the provision of office facilities including utilities and insurance. A complete listing of the nature and amount of these expenditures was not available for disclosure.

14. PASS-THROUGH GRANTS

The district attorney's office received grant monies under the Families in Need of Services program, a portion of which was paid to the following entities under contractual provisions to provide services:

Family and Youth Counseling	\$ 20,000
Police Jury –Criminal Court Fund	\$ 2,500

The above amounts have been recorded in the accompanying financial statements as revenues and expenditures pursuant to Governmental Accounting Standards Board Statement 24 due to the administrative and direct financial involvement of the district attorney's office.

15. RISK MANAGEMENT

The district attorney's office is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The district attorney carries commercial insurance for errors and omissions. All other risks of loss are covered by commercial insurance provided by the Police Jury. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

16. YEAR 2000 ISSUE

The Year 2000 issue is the result of shortcomings in many electronic data processing systems and other electronic equipment that may adversely affect the District Attorney's operations as early as fiscal year 1999.

The District Attorney has completed an inventory of computer systems and other electronic equipment that may be affected by the Year 2000 issue and that are necessary to conducting operations. The District Attorney has identified the following systems requiring Year 2000 remediation:

- Worthless checks management system
- Support enforcement management system
- Criminal case management system

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The District Attorney has completed all testing and validation on the above software systems. The above systems are part of a shared system with the Sheriff and Clerk of Court, which has been tested and validated.

The District Attorney has completed all testing and validation of hardware systems except for two of the remaining computer workstations which will require further remediation. The costs of the remaining remediation is not expected to be material to the financial statements.

Because of the unprecedented nature of the Year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the District Attorney is or will be Year 2000 ready, that the District Attorney's remediation efforts will be successful in whole or in part, or that parties with whom the District Attorney does business will be Year 2000 ready.

SUPPLEMENTAL INFORMATION SCHEDULES

SPECIAL REVENUE FUNDS

WORTHLESS CHECK FUND

The Worthless Check Collection Fee Special Revenue Fund consists of fees collected in accordance with Louisiana Revised Statute 16:15, which provides for a specific fee whenever the district attorney's office collects and processes a worthless check. Expenditures from this fund are at the sole discretion of the district attorney and may be used to defray the salaries and the expenses of the office of the district attorney, but may not be used to supplement the salary of the district attorney.

TITLE IV-D PROGRAM

The Title IV-D Special Revenue Fund consists of incentive payments and reimbursement grants from the Louisiana Department of Social Services, authorized by Act 117 of 1975, to establish family and child support programs compatible with Title IV-D of the social security act. The purpose of the fund is to enforce the support obligation owned by absent parents to their families and children, to locate absent parents, to establish paternity, and to obtain family and child support.

DRUG FORFEITURE

The Drug Forfeiture Special Revenue Fund consists of 20% of the fines collected and bonds forfeited under the Seizure and Controlled Dangerous Substances Property Forfeiture Act of 1989 as prescribed under LRS 40:2616. At the discretion of the district attorney these funds are put in this special revenue fund instead of the general fund as allowed by law. As provided by LRS 40:2616, these funds can be used for public purposes including, but not limited to use for prosecution, rewards, support and continuing legal education in furtherance of chapter 26 of Title 40.

PRE-TRIAL INTERVENTION SPECIAL REVENUE FUND

The Pre-Trial Intervention Special Revenue Fund was established by the district attorney to isolate the program revenues and expenditures. The program is a diversion program which is offered to selected non-violent offenders as an alternative to prosecution. Participants receive coordinated assistance in job placement, educational and vocational referrals, personal and group counseling, and referrals to other community agencies appropriate to their needs. The revenues for this fund are derived from charges for services to participants and operating transfers from other funds of the district attorney.

DISTRICT ATTORNEY OF THE THIRTY-FIRST JUDICIAL DISTRICT
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COMBINING BALANCE SHEET-SPECIAL REVENUE FUNDS
As of December 31, 1998

	Worthless Check Fund	Title IV-D Program Fund	Drug Forfeiture Fund	Pretrial Intervention Fund	Total (Memorandum Only)
ASSETS AND OTHER DEBITS					
Assets:					
Cash and cash equivalents	\$ 6,645	\$ 38,005	\$ 188,704	\$ 2,541	\$ 235,895
Investments	0	0	0	0	0
Receivables:					
Due from other governments	0	15,503	0	0	15,503
Due from other funds	0	0	0	0	0
Other	0	0	0	0	0
Property and equipment	0	0	0	0	0
TOTAL ASSETS AND OTHER DEBITS	\$ 6,645	\$ 53,508	\$ 188,704	\$ 2,541	\$ 251,398
LIABILITIES, EQUITY, AND OTHER CREDITS					
Liabilities:					
Accounts payable	\$ 0	\$ 2,115	\$ 1,204	\$ 0	\$ 3,319
Payroll deductions and withholdings payable	0	945	0	0	945
Due to other governments	0	0	0	0	0
Due to other funds	0	0	0	0	0
Due to others	0	0	0	0	0
Total Liabilities	0	3,060	1,204	0	4,264
Equity and Other Credits:					
Investment in general fixed assets	0	0	0	0	0
Fund balances - unreserved - undesignated	6,645	50,448	187,500	2,541	247,134
Total Fund Equity and Other Credits	6,645	50,448	187,500	2,541	247,134
TOTAL LIABILITIES, EQUITY, AND OTHER CREDITS	\$ 6,645	\$ 53,508	\$ 188,704	\$ 2,541	\$ 251,398

DISTRICT ATTORNEY OF THE THIRTY-FIRST JUDICIAL DISTRICT

Jennings, Louisiana

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-SPECIAL REVENUE FUND TYPES**

Year Ended December 31, 1998

	<u>Worthless Check Fund</u>	<u>Title IV-D Program Fund</u>	<u>Drug Forfeiture Fund</u>	<u>Pretrial Intervention Fund</u>	<u>Total</u>
REVENUES					
Commissions on fines and forfeitures and fees for collection of worthless checks	\$ 23,382	\$ 0	\$ 29,149	\$ 0	\$ 52,531
Intergovernmental revenues:					
Federal	0	51,710	28,420	0	80,130
State	0	9,658	0	0	9,658
Parish	0	0	0	0	0
Charges for services	0	925	0	0	925
Use of money and property	0	3,966	8,024	0	11,990
Other revenues	0	0	0	0	0
Total revenues	<u>23,382</u>	<u>66,259</u>	<u>65,593</u>	<u>0</u>	<u>155,234</u>
EXPENDITURES					
Current:					
Salaries and related benefits	0	37,267	12,327	0	49,594
Advertising, dues and subscriptions	120	0	21,650	0	21,770
Communications	0	1,085	0	0	1,085
Repairs and maintenance	0	0	0	0	0
Professional services	10,992	0	1,215	0	12,207
Insurance	6,359	0	0	0	6,359
Office supplies	1,046	91	1,650	0	2,787
Travel and seminars	0	262	245	0	507
Other expenditures	2,640	620	16,023	0	19,283
Intergovernmental expenditures:					
Distributions to Police Jury	0	24,567	0	0	24,567
Grants to other governments	0	0	5,150	0	5,150
Capital outlay	10,326	0	0	0	10,326
Total expenditures	<u>31,483</u>	<u>63,892</u>	<u>58,260</u>	<u>0</u>	<u>153,635</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(8,101)</u>	<u>2,367</u>	<u>7,333</u>	<u>0</u>	<u>1,599</u>
OTHER FINANCING SOURCES (USES)					
Operating transfers in	0	0	0	0	0
Operating transfers out	0	(47,684)	0	0	(47,684)
Total other financing sources (uses)	<u>0</u>	<u>(47,684)</u>	<u>0</u>	<u>0</u>	<u>(47,684)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>(8,101)</u>	<u>(45,317)</u>	<u>7,333</u>	<u>0</u>	<u>(46,085)</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>14,746</u>	<u>95,765</u>	<u>180,167</u>	<u>2,541</u>	<u>293,219</u>
FUND BALANCES AT END OF YEAR	<u>\$ 6,645</u>	<u>\$ 50,448</u>	<u>\$ 187,500</u>	<u>\$ 2,541</u>	<u>\$ 247,134</u>

FIDUCIARY FUNDS

ESCROW AGENCY FUND

The Escrow Agency Fund was created to account for collections by the district attorney's office which are to be distributed to other agencies and victims of crimes. This fund is custodial in nature and does not involve measurement of results of operations.

DRUG ASSET SEIZURE AGENCY FUND

The Drug Asset Seizure Agency Fund was established in compliance with Louisiana Revised Statute 40:2616, which provides that the proceeds of any sale and any monies forfeited or obtained by judgement or settlement under the Seizure and Controlled Dangerous Substances Property Forfeiture Act of 1989 shall be deposited into a special trust fund until the court determines equitable distribution of these funds. This agency fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations. The law provides that the district attorney shall administer expenditures from this fund in the following priority:

- For satisfaction of any bona fide security interest or lien.
- Thereafter, for payment of all proper expenses of the proceedings for forfeiture and sale, including expenses of seizure, maintenance of custody, advertising, and court costs.
- The remaining funds are to be allocated 60% to the law enforcement agency or agencies making the seizure, 20% to the criminal court fund, and 20% to any district attorney's office that handles the forfeiture action for the state.

WORTHLESS CHECKS ESCROW AGENCY FUND

This fund was established to account for collections of worthless check restitution and fees to be distributed to victims and other government agencies. This fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations.

DISTRICT ATTORNEY OF THE THIRTY-FIRST JUDICIAL DISTRICT

Jennings, Louisiana

COMBINING BALANCE SHEET-FIDUCIARY FUNDS

As of December 31, 1998

	<u>Escrow Fund</u>	<u>Drug Assets Seizure Fund</u>	<u>Worthless Checks Escrow Fund</u>	<u>Total (Memorandum Only)</u>
ASSETS AND OTHER DEBITS				
Assets:				
Cash and cash equivalents	\$ 2,849	\$ 100,100	\$ 863	\$ 103,812
Investments	0	0	0	0
Receivables:				
Due from other governments	0	0	0	0
Due from other funds	68	0	0	68
Other	0	0	0	0
Property and equipment	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL ASSETS AND OTHER DEBITS	<u><u>\$ 2,917</u></u>	<u><u>\$ 100,100</u></u>	<u><u>\$ 863</u></u>	<u><u>\$ 103,880</u></u>
LIABILITIES, EQUITY, AND OTHER CREDITS				
Liabilities:				
Accounts payable	\$ 0	\$ 0	\$ 0	\$ 0
Payroll deductions and withholdings payable	0	0	0	0
Due to other governments	0	0	0	0
Due to other funds	400	0	0	400
Due to others	2,517	100,100	863	103,480
Total Liabilities	<u><u>2,917</u></u>	<u><u>100,100</u></u>	<u><u>863</u></u>	<u><u>103,880</u></u>
Equity and Other Credits:				
Investment in general fixed assets	0	0	0	0
Fund balances - unreserved - undesignated	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Fund Equity and Other Credits	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>
TOTAL LIABILITIES, EQUITY, AND OTHER CREDITS	<u><u>\$ 2,917</u></u>	<u><u>\$ 100,100</u></u>	<u><u>\$ 863</u></u>	<u><u>\$ 103,880</u></u>

**OTHER REPORTS REQUIRED BY
GOVERNMENTAL AUDITING STANDARDS**

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS.

Honorable Michael C. Cassidy
District Attorney
Thirty-First Judicial District
Jennings, Louisiana

I have audited the general purpose financial statements of the District Attorney of the Thirty-First Judicial District, a component unit of the Jefferson Davis Parish Police Jury, as of and for the year ended December 31, 1998, and have issued my report thereon dated June 18, 1999. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether District Attorney of the Thirty-First Judicial District's general purpose financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings and questioned costs as items 98-1 and 98-2.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the District Attorney of the Thirty-First Judicial District's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. However, I noted certain matters involving the internal control over financial reporting and its operation that I consider to be reportable conditions. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in my judgement, could adversely affect the District Attorney of the Thirty-First Judicial District's ability to record, process, summarize and report financial data consistent with the assertions of management in the general purpose financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items 97-1 and 96-1.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be

material weaknesses. However, of the reportable conditions described above I consider items 97-1 and 96-1 to be a material weakness.

This report is intended for the information of the District Attorney, management, and the Louisiana Legislative Audit Advisory Council. However, this report is a matter of public record and its distribution is not limited.



Certified Public Accountant

Jennings, Louisiana
June 18, 1999

DISTRICT ATTORNEY OF THE THIRTY-FIRST JUDICIAL DISTRICT
Jennings, Louisiana
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 1998

We have audited the financial statements of District Attorney of the Thirty-First Judicial District as of and for the year ended December 31, 1998, and have issued our report thereon dated June 18, 1999. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. My audit of the financial statements as of December 31, 1998 resulted in an unqualified opinion.

Section I Summary of Auditor's Reports

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses Yes No Reportable Conditions Yes No

Compliance Material to Financial Statements Yes No

b. Federal Awards

c.

Internal Control

Material Weaknesses Yes No Reportable Conditions Yes No

Type of Opinion On Compliance Unqualified Qualified

For Major Programs Disclaimer Adverse

Are their findings required to be reported in accordance with Circular A-133, Section .510(a)?
 Yes No

c. Identification of Major Programs:

CFDA Number (s)	Name of Federal Program (or Cluster)
Not applicable	

Dollar threshold used to distinguish between Type A and Type B Programs:

\$ _____

Is the auditee a 'low-risk' auditee, as defined by OMB Circular A-133? Yes No

Section II Financial Statement Findings

Current Year Findings

Finding 98-1 :

Condition: The auditee failed to comply with the provisions of the public bid law, LSA-RS Title 38:2212.

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Cause of Condition: The auditee purchased an automobile valued at \$16,400 without advertising for bids as required under State law. Also, there was no evidence that the auditee obtained competitive price quotes.

Effect of Condition: The effect of this condition resulted in noncompliance with public bid laws under Title 38 of the Louisiana Revised Statutes and may have also resulted in the acquisition of a vehicle at a price higher than that which could have been obtained under the procedures outlined in Title 38.

Recommendation: I recommend that all future purchases of materials and supplies in excess of \$15,000 be purchased and documented in compliance with the procedures outlined in Title 38. This will help ensure that the auditee obtains a competitively priced product while continuing to fulfill its stewardship responsibilities as required under the law.

Auditee Response: Future purchases in excess of \$15,000 will be made in compliance with Title 38 of the Louisiana Revised Statutes.

Finding 98-2 :

Condition: The auditee failed to comply with the Louisiana Local Government Budget Act (LSA-R.S. 39:1301-1314).

Cause of Condition: The auditee failed to make the budget available for public participation and inspection as required by the Louisiana Local Government Budget Act (LSA-R.S. 39:1301- 1314). Advertisement of budget hearing and publication of proposed or adopted budget was not performed as required by law for entities with proposed expenditures in excess of \$250,000.

Effect of Condition: The effect of this condition resulted in noncompliance with the Louisiana Local Government Budget Act (LSA-R.S. 39:1301-1314).

Recommendation: I recommend that in the future the auditee advertise the budget hearing and publish the proposed and/or adopted budget as required under the law.

Auditee Response: A formal budget was adopted, however, the person in charge of budget compliance inadvertently failed to advertise the hearing and adoption as required under the statutes. We will comply in the future.

Prior Year Findings

Finding 97-1 :

Condition: The Worthless Check Agency Fund, which was established to account for collections of worthless check restitution and fees to be distributed to victims and other government agencies,

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lacks adequate accounting controls and procedures. This condition existed in the prior year and has not been improved.

Cause of Condition: The subsidiary ledger of amounts due to others is not being reconciled to the bank statement balance on a monthly or other periodic basis.

Effect of Condition: This condition, if not corrected, could result in errors occurring in future distributions or possible inadvertent misappropriation of funds. Also, not reconciling this account causes the build-up of uncashed outstanding checks to go unmonitored. Over time this may cause noncompliance with the state escheat laws, since these uncashed checks are require under law to be submitted to the state after the passage of a certain amount of time.

Recommendation: I recommend that this account be reconciled on at least a monthly basis during the year by someone not involved in the collection and posting into the worthless check management system. Detailed subsidiary ledger amounts should be printed each month and reconciled to the balance remaining in the bank accounts. This could be accomplished easily, using the existing computer system, by simply allowing distributions to be done once a month immediately following the last deposit of each month. This would allow the collection reports to be reconciled to the distribution reports.

Finding 96-1 :

Condition: The Drug Seizure Agency Fund, which was established to account for collections of fines and assets forfeited under the Seizure and Controlled Dangerous Substances Property Forfeiture Act of 1989 as prescribed under LRS 40:2616, lacks adequate accounting controls and procedures. This condition existed in the prior year and has been improved somewhat, however improvements do not warrant removal of this condition from my report.

Cause: The Drug Seizure Agency Fund subsidiary ledger of amounts due to defendants and others is not being reconciled to the balance in the bank statement. This condition existed in the prior year and has not been improved.

Effect of Condition: This condition, if not corrected, could result in errors occurring in future distributions or possible inadvertent misappropriation of funds. Also, not reconciling this account causes the build-up of unresolved case deposits to go unmonitored. Over time this may cause noncompliance with the state escheat laws, since these unresolved case deposits if not pursued within the proper legal time frames should be returned to the defendant or submitted to the State Escheat Division.

Recommendation: I recommend that the subsidiary ledger of amounts due to defendants and others be maintained and reconciled on at least a monthly basis to the amount contained in the bank account. All deposits and collections made into or from this bank account should flow through the subsidiary ledger activity sheets. These reconciliations and the underlying workpapers should be reviewed and approved monthly by someone in an authoritative position above the person responsible for preparing the necessary documents.

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Section III Federal Award Findings and Questioned Costs

No findings to report.

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SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

For the Year Ended December 31, 1998

SECTION I – Internal Control and Compliance Material to the Financial Statements:

Ref. No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken (Yes, No, Partially)	Planned Corrective Action/ Partial Corrective Action Taken	Additional Explanation
96-1	1996	The Drug Seizure Agency Fund subsidiary ledger of amounts due to defendants and others is not being reconciled to the balance in the bank statement.	Partially	Administrative personnel are in the process of developing monthly procedures needed in order to eliminate finding.	
97-1	1997	Worthless Check Agency Fund subsidiary ledger of amounts due to others is not being reconciled to bank statement balance on a monthly basis.	No	Will begin reconciling to bank statement on a monthly basis – see additional explanation.	This position has experienced high turnover during 1998. Presently training new individual to take over duties.

SECTION II - Internal Control and Compliance Material to the Federal Awards:

No findings reported.

SECTION III – Management Letter:

No findings reported.

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MANAGEMENT'S CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
For the Year Ended December 31, 1998

Section I- Internal Control and Compliance Material to the Financial Statements:

Ref. No.	Description of Finding	Corrective Action Planned	Name(s) of Contact Person(s)	Anticipated Completion Date
98-1	Noncompliance with Louisiana Public Bid Law	Solicitation for bid specifications will be published in accordance with LSA-R.S. Title 38:2212 in the future.	Cindy Cormier	Not applicable
98-2	Noncompliance with Louisiana Local Government Budget Act	Formal budgetary actions will be properly advertised in accordance with LSA-R.S. 39:1301-1314 in the future.	Cindy Cormier	Anticipate compliance for fiscal 2000 since due date for compliance for 1999 budget has passed.

Section II- Internal Control and Compliance Material to Federal Awards:

No findings reported.

Section III- Management Letter:

No findings reported.